

1/24/2011

EXHIBIT

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HB

Commerce

Montana Department of Commerce

## Housing Division

90-6 Part I. Finance of Housing

Bruce Brensdal, Administrator

### Mission:

To provide mechanisms that enable Montanans to own or rent decent, safe, and sanitary housing that is within their financial capability.

We assist the purchase or production of housing for:

- Families
- Senior Citizens
- Special Needs

*The housing we finance is the work for housing which enables economic growth in our Montana communities.*



## HOME Investment Partnerships (HOME) Program

The HOME program is a federal block grant program. It is funded by U.S. Dept. of Housing and Urban Development (HUD): \$2.3 billion annually.



HOME funding is used by Community Housing Development Organizations (CHDO) and local governments throughout the state to create affordable housing for low-income families:

- new construction
- rehabilitation
- down payment assistance



## Housing Choice Vouchers and Project-Based Section 8

The Housing Choice Voucher program helps low-income families find affordable housing. It is financed by HUD and administered by the Montana Department of Commerce (MDOC). Montana receives \$73 million of rent subsidy annually.



Eligible households use vouchers to rent privately owned homes of their choosing. Participants pay 30% of their adjusted gross income towards rent and utilities and the program pays the difference to the landlord.

Project-Based Section 8 rental assistance differs by providing the subsidy to a specific development who then rents to an eligible family.

Veterans Affairs Supportive Housing (VASH) vouchers

- Homeless Veterans
- Shelter Plus Care Program vouchers
- Homeless Families

## Montana Board of Housing Homeownership Program

Since 1977, provided \$2.3 billion of mortgage financing to assist working-class Montanans to purchase homes. Using funds from tax-exempt Mortgage Revenue Bonds, the Board purchases home loans from Montana originating lenders across the state.

We are able to offer low and moderate income first-time homebuyers (some exceptions):

- Low interest, fixed rate 30-year mortgages
- Reduced closing costs
- Local, Montana-based loan origination and servicing



## Homebuyer Education Classes and Housing Counseling

The first step to creating successful homeowners is education. Knowledgeable homeowners stay in their homes longer and take pride in their properties and their communities.



The Montana Board of Housing partners with NeighborWorks MT to provide this service state-wide.

Comprehensive homebuyer education has been shown to reduce the likelihood of default and contribute to MBOH's and Montana's lower rate of foreclosure, compared to our peers.

We also provide, at no cost to borrowers, Foreclosure Prevention Information

- Counseling
- Intervention
- Advice
- Information
- Resources



Go to [housing.mt.gov](http://housing.mt.gov) for more information.

## Montana Board of Housing Special Loan Programs

The Montana Board of Housing offers several special loan programs to help assist lower income Montanans become successful homeowners.



**Access to Affordable Housing Program** – offers lower interest rate loan starting as low as 2.75% for households with an access disability that requires physical modification to the home.



**Habitat for Humanity** – MBOH partners with local Habitat chapters to finance a portion of the first mortgage at 2%, allowing Habitat to recover their costs immediately and have cash to build another home.



**Native American Reverse Mortgage** – allows MBOH to purchase 1<sup>st</sup> mortgage loans for Native American borrowers on both tribal and non-tribal land.



**Job Training** – MBOH partners with local job training programs by providing approved home plans and building materials to produce affordable homes for low income Montanans and increase building trade skills.

## Montana Board of Housing Reverse Annuity Mortgage (RAM) Program



MBOH provides an affordable rate on a reverse mortgage to low income senior households. The homeowners are able to access equity they have in their home, enabling them to stay in their community as long as they want to and to live more comfortably while doing so.

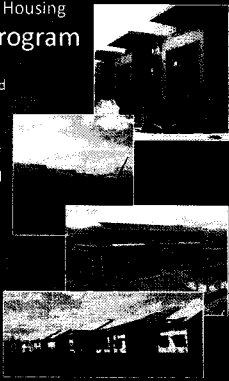


- Seniors must be 68 years of age or older (some exceptions).
- Household income for a couple cannot exceed \$29,140.
- Loan cannot exceed 80% of FHA-determined property value or \$150,000.

### Montana Board of Housing Multifamily Program

Low Income Housing Tax Credits are provided to Montana annually and are allocated by a competitive process. The credit is a 10-year reduction of federal tax liability for owners of qualifying rental housing. Tax credits are sold to investors, providing the financing source that makes it possible to offer low rents to income-qualified renters.

This program provides \$70 million in *certified financing annually* for Montana under Section 42 of the Internal Revenue Code of 1986.




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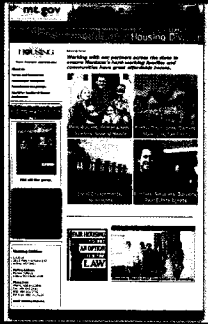
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### housing.mt.gov

We have the information for you about affordable housing in Montana.

Program Information		Outgoing conferences and training opportunities
Housing Applications		MBCH meeting information
Consolidated Plan		Calendar
Homebuyer Education		Resources for Developers
Fraudulent Prevention		Applying for SE Loans
Affordable Rental Housing Locator		Technical Assistance
White Paper		Resources for tenants and landlords
Contact Information		Resources for Non-Profit and Local Governments
Outstanding information		

*We welcome feedback, comments and suggestions!*

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### The Housing Coordinating Team

*Working together to create a better future for all Montanans*

 <b>Housing for All Montana</b> Available to help communities plan, finance and develop affordable housing.	 <b>Housing Coordinating Team</b> Go to <a href="http://housing.mt.gov">housing.mt.gov</a> for more information.
 <b>Affordable Housing Search</b> Search for or list affordable rental housing for free. Includes call center support and information about additional resources.	 <b>The Faces of Affordable Housing</b> A collaborative effort to educate property owners, managers, lenders, builders, realtors, tenants, advocates, etc. about Fair Housing law.
 <b>Fair Housing Data</b> Data and statistics for each county about housing, incomes, population trends, etc.	

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House Bill 2 Present Law  
Decision Packages  
100% Federal Funds

- DP 7406: Administrative Costs Adjustments  
» (FY 2012 - \$10,612 / FY 2013 - 12,294)
- DP 7407: Federal Grants Adjustments  
» (FY 2012 \$0 / FY 2013 \$385,580)

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Board of Housing, Executive Director

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*The Housing Division is proud to serve  
the hard-working people and the communities of Montana.  
Thank you for listening.*

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